

**RICO AUTO INDUSTRIES LIMITED**

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BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400051. Scrip Code - RICOAUTO
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Dear Sir/Madam,

Please find enclosed herewith copy of Press Release published in the following Newspaper:

- i) The Economic Times (New Delhi/Gurgaon editions - 06/08/2018
and other editions)

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**


B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

Rico Auto Targets ₹2,000-Cr Sales, to Invest ₹400 Crore

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New Delhi: Auto parts manufacturer Rico Auto Industries is working on plans to invest more than ₹400 crore in the next three years, as it aims to achieve revenue of ₹2,000 crore by 2020 from an expected ₹1,500 crore this fiscal year.

The Gurugram-based company is one of a few Indian component makers that have orders from electric vehicle manufacturers — it has got orders worth about ₹1,200 crore. It is also beefing up presence in the conventional two-wheeler and four-wheeler segments to meet aftermarket requirements.

“We launched products in the two-wheeler aftermarket last year and received a good response, so we are launching products in the four-wheeler segment. We expect to get ₹100 crore from this business in a few years,” chairman Arvind Kapur told ET. It aims to also strengthen its exports, which it expects will contribute as much as 40% of revenue in two years. It is also venturing into the defence sector to manufacture bomb and missile actuators. A leading supplier to Maruti Suzuki and Hero MotoCorp, the company claims to have got orders of ₹4,800 crore in the last one-and-a-half years.

“Last year we bagged ₹2,600 crore orders while in the first half of this financial year we have already got ₹2,100 crore. (Execution of) some of these orders will start this year

while some will begin next year,” said Kapur.

These new orders will annually contribute on an average Rs 800 crore initially, which will go up during the peak time, he said.

On electric vehicle component supply, Kapur said the company started developing prototype housings for the segment. Its current order is from an overseas EV player, said people in the know. “We expect to get additional orders in the due course,” he added.

The braking and clutch manufacturer is focusing on both traditional and electric vehicles. Kapur expects electric vehicles to be 25% of total vehicles globally by 2030 and over 30% by 2040.

A NEW JV

The company is on the verge of signing a joint venture deal with HZ Manufacturing, to produce automatic transmission for scooters, a person in the know of the matter said.

“The company is going to manufacture CVT for scooters and they will be signing a joint venture agreement very soon,” the person privy to the matter said. Rico Auto will hold a 51% stake in the venture with ZH owning the rest, the person said, adding that the companies may announce the partnership next month. Kapur declined to deny or confirm the matter.

“We are looking at all the opportunities and we don't comment on market speculation,” he said.